

## **Sales Disclosure Form 46021 (R4/9-04): Frequently Asked Questions**

### **1. Why are sales disclosures required?**

Sales disclosures are required by law (IC 6-1.1-5.5). The forms are used by local assessing officials and the state for a variety of purposes including sales ratio studies, equalization, and annual market adjustments of assessed values in non-reassessment years beginning with 2005 values for taxes payable in 2006.

### **2. Why do the revised forms contain so much information?**

The forms were revised in response to requests from local officials, title companies, software vendors, and professional appraisers and in consideration of overall data needs. The form attempts to collect information required to describe a parcel and determine the validity of its sales price for use in studies.

### **3. Is it necessary for filers to complete all fields on the form?**

All fields that apply to the sale should be completed. County auditors are responsible for ensuring that all parties to the conveyance have completed and signed the form as required. County auditors should not accept incomplete sales disclosure forms. Under Indiana law, a conveyance document may not be accepted or recorded without a properly completed sales disclosure form. Note that while indicating that certain conditions/items will result in not paying a sales disclosure filing fee, the buyer or seller is still responsible for completing the form in full. There will be instances when no sales condition applies; the Auditor should still accept the signed form.

### **4. What is the sales disclosure filing fee? Is a fee to be collected for every parcel?**

The sales disclosure filing fee is \$10. This revision of the form did not change the filing fee. The fee increased from \$5 to \$10 beginning 1/1/04. A multi-parcel transaction should be considered one conveyance and a single fee collected.

### **5. What is the purpose of the barcode?**

The barcode identifies the form as a sales disclosure form and indicates the beginning of the form. It is used in counties that have chosen to collect sales data using a scanning software application.

### **6. Is a Power of Attorney form required from all buyer/seller representatives for purposes of the signature section of the sales disclosure form?**

A bank or title company must have a notarized power of attorney form to be an authorized representative for the buyer or seller. An attorney representing either party is not required to have a power of attorney. Note that in cases where a corporation is seller or buyer, a resolution or other legal document that designates authorized signatories for the business is an acceptable substitute for a Power of Attorney. Any person signing for the buyer or seller must be identified clearly and must provide contact information, including complete and legible name, address and telephone number.

**7. If there are multiple buyers/sellers, do they all have to sign the sales disclosure form?**

One buyer and one seller signature is sufficient. However, all buyers and sellers may sign the form if they so desire.

**8. How should filers complete acreage information for irregularly sized lots (i.e. those where acreage is not apparent or easily calculated from the surveyor's description)?**

Keeping in mind the intent of the form (gathering sufficient information to identify the parcel and describe the conditions of the sale), county auditors may use their discretion regarding what constitutes complete information in the acreage field.

**9. Is it the intent for the area on the form identified as “# of parcels” to be the total number of parcels involved in the transaction for which the sales disclosure is being filed?**

Yes. The form provides space to show up to three parcels. If the transaction includes more than three parcels, an additional list of parcel numbers and lot sizes must be attached to the sales disclosure form.

**10. Are contract sales exempt transactions? At what point is a sales disclosure to be filled out for a contract sale?**

Contract sales are not exempt transactions and require two separate sales disclosure forms at both ends of the transaction. At the beginning of the contract (when a Contract or Memorandum thereof is recorded), a sales disclosure is to be completed. The law defines “conveyance” as any transfer of a real property interest for valuable consideration; at the beginning of the contract, the right to use and occupy the premises is being transferred. At the end of the contract term, the deed is recorded and another disclosure is to be filled out to show the conveyance of legal title. The sales disclosure filing fee applies for each transaction.

**11. In the sales data section of the form, does the meaning of “Contract Date” indicate the date of sale (closing date)?**

The Contract Date should indicate the date on which the parties agreed on the sales price. The closing date is typically some time after the contract date and so may not be indicative of the time that the price was set.

**12. On page 2 in the seller section, there is an area titled, “Title Company Name (if applicable)”. Is it the DLGF's intent to have the title companies' names on all disclosure forms where title companies participated in the transaction?**

Yes. Title company information was added at the request of local officials in an effort to help with the sales validation process.

**13. The statement at the top of page 1 of the form declares that the telephone numbers placed on this form will be considered as confidential. If a form is filed without a telephone number, is the form rejected because it is incomplete or is that acceptable because of the confidentiality statement?**

Telephone numbers must be included on the form to provide contact information to local officials to help with the sales validation process. The confidentiality of phone numbers means that phone numbers should not be provided as part of public information requests for sales information.

**14. In the county auditor area at the bottom of page 2, there is an area titled, “Completion” with either yes or no. In what situation would the county auditor check “No”?**

Check “No” if the form is not completely filled out, and return the form and the unrecorded deed or other document to the filer(s) for completion.

**15. Is it required that sales disclosure filings include page 3 of the form (the instructional page)?**

No, the instructional page 3 of the form does not have to be submitted as part of the filing.

**16. In the filing of the previous sales disclosure, only one (1) signature, either buyer’s or seller’s was required when filing an exempt transaction. Is this practice still in place or are both signatures now required.**

This practice is still in place. One signature is acceptable if any of items 12-21 apply to the transaction.

**17. Are sales disclosure forms in a modified format acceptable?**

Modified formats are acceptable but must be approved by the DLGF. Given the number of counties that are using scanning solutions to gather sales disclosure data, it is especially important that information is located in the same place for all forms being used. We also encourage counties and vendors to continue working towards electronic filing solutions for sales disclosure forms, with the ultimate goal of eliminating paper forms completely.

**18. What are the requirements for submitting sales disclosure data to the state?**

Submittal of sales disclosure data has been required of counties since the original release of the Property Tax Assessment Computer Standards (50 IAC 12) in 1998. Legislators reiterated the requirement for electronic submittal of sales disclosure data after December 31, 2004, in HEA 1001/PL 23-2004. The required format for sales disclosure data is included as part of the standard file formats (2003A) for property tax data available at <http://www.in.gov/dlgf/data>. The format for the revised sales disclosure form (2004A) is also available at the same link. Sales data for the prior year(s) are to be submitted annually by March 1 as described in the annual adjustment rule.

**19. Are there requirements concerning the printing of the sales disclosure form, i.e., size, one-sided versus two-sided, etc.?**

The form was designed to fit on standard 8 ½ by 11 sized paper. Filers are encouraged to submit two-sided forms to reduce the amount of paper. However, recognizing that all filers do not have access to two-sided printing capabilities (especially those who choose to complete the form on the Internet), one-sided forms are also acceptable.

**20. How should multiple parcels in multiple taxing districts or involving multiple class codes be handled? There is only one taxing district code, neighborhood code and property class per form.**

Use the taxing district, neighborhood, and property class for the primary parcel. (i.e. the parcel with the main improvement or largest assessed value). Note that the assessed value information should be the total value for all parcels included in the sale.

**21. Do buyers/sellers need to provide the sales price for exempt transactions?**

Yes, the sales price should be on the form for any transaction where money changed hands.

**22. Is submitting the Sales Disclosure Form by fax acceptable?**

Submittal by fax is unacceptable due to the likelihood of the form being illegible.

**23. Will my Assessment Field Representative continue to collect my sales disclosure forms?**

Yes, your Assessment Field Representative will continue to collect sales disclosure forms.

**24. Part 1 says that the form should be typed or printed in black ink. Does the black ink requirement apply to buyer and seller signatures?**

Signatures do not have to be in black ink. The black ink requirement applies only to typed or printed information on the form.